

Message Text

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ACTION COME-00

INFO OCT-01 AF-06 ISO-00 EB-07 AID-05 EA-06 MC-01 DODE-00

NSAE-00 RSC-01 TRSE-00 AEC-05 CIAE-00 SP-02 /034 W

----- 106461

R 091300Z JAN 75

FM AMCONSUL CAPE TOWN

TO SECSTATE WASHDC 4298

INFO AMEMBASSY PRETORIA

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E.O. 11652: N/A

TAGS: ESTC, SF

SUBJECT: PRE-LICENSE CHECK, HELICOPTERS

REF: (A) STATE 277090; (B) CAPE TOWN 0929; (C) CAPE TOWN 0012

1. CONGEN OFFICER INTERVIEWED EUGENE VAN WYK ON JANUARY 8 WITH VIEW TO RESOLVING POINTS RAISED PARAS 4 AND 5 REF (A).

2. VAN WYK WELL AWARE HELICOPTERS CANNOT BE FOR MILITARY OR PARA-MILITARY USE OR FOR RE-EXPORT TO RHODESIA. HE ASSERTED THAT PURCHASERS OF "SCORPION TOO" MODELS WILL ALL BE TO CIVILIANS AND THAT HE HAS NO PLANS AT THIS TIME FOR SALES OUTSIDE OF SOUTH AFRICA.

3. FRANCHISE CONTRACT WITH ROTORWAY, INC., DATED JULY 25, 1974 CALLS FOR INITIAL SHIPMENT OF 10 KNOCKED-DOWN MODELS FOLLOWED BY SECOND SHIPMENT OF 17 AND THIRD OF 100, IF NO SERIOUS PROBLEMS ARISE FROM FIRST TWO SHIPMENTS. SALES TERRITORY SPECIFIED IN CONTRACT IS REPUBLIC OF SOUTH AFRICA AND SOUTH WEST AFRICA. ACCORDING TO VAN WYK THIS IS FIRST FOREIGN FRANCHISE GRANTED BY ROTORWAY AND MR. B. J. SCHRAMM, PRESIDENT OF ROTORWAY, HAS ASSURED HIM HE MAY BE WILLING LATER TO EXTEND FRANCHISE TO COVER SALES FOR CONTINENT OF AFRICA AND AUSTRALIA AS WELL.

4. VAN WYK SAID HE HAS MORE PROSPECTIVE CUSTOMERS IN SOUTH
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AFRICA THAN HE WILL BE ABLE TO HANDLE FOR SOME TIME. HE HAS

LIST OF 388 PERSONS WHO HAVE WRITTEN TO HIM EXPRESSING INTEREST IN BUYING "SCORPION TOO" MODEL. A CURSORY EXAMINATION OF LIST REVEALED QUERIES FROM LIBERIA, NIGERIA, SIERRA LEONE, ZAMBIA AND RHODESIA (ALL APPARENTLY PRIVATE PARTIES). VAN WYK STRESSED HE HAS NO PLANS AT THIS TIME TO SELL OUTSIDE SOUTH AFRICA. HE EXPLAINED MOST OF NAMES ON LIST WERE OF PERSONS WHO HAVE ANSWERED ADVERTISING BY ROTORWAYS WHO HAD REFERRED THEM TO HIM.

5. VAN WYK FELT THERE WAS LITTLE IF ANY LIKELIHOOD OF HELICOPTERS SURREPTITIOUSLY BEING TRANSFERRED INTO UNAUTHORIZED HANDS GIVEN FACT EVERY MODEL WOULD BE REGISTERED WITH SOUTH AFRICAN GOVERNMENT IN NAME OF PROSPECTIVE OWNER PRIOR TO ITS ASSEMBLY AND THAT GOVERNMENT CONTROLS OF ASSEMBLED HELICOPTERS WOULD BE QUITE THOROUGH. HE ALSO POINTED OUT THAT THE ROTORWAYS TRAINING AND CHECKING OUT PROGRAM FOR PURCHASERS (65 HOURS TRAINING) WHICH WOULD BE STRICTLY ADHERED TO IN SOUTH AFRICA WOULD MINIMIZE CHANCES OF SALES TO OTHER THAN LEGITIMATE CUSTOMERS.

6. ON SURFACE, INTENDED USE OF "SCORPION TOO" MODELS SEEMS TO BE BY BONA FIDE CIVILIANS WITHIN SOUTH AFRICA. CHECKS WITH TWO LAWYERS WELL KNOWN TO CONGEN PERSONNEL REVEAL THAT WHILE VAN WYK IS CONSIDERED TO BE FULLY QUALIFIED LAWYER HE HAS A REPUTATION OF BEING VERY SHARP AND BEARS CLOSE WATCHING. IN CONGEN'S OPINION THIS IN ITSELF DOES NOT INDICATE THAT THERE IS ANYTHING FRAUDULENT IN PROPOSED SALES OF HELICOPTERS AND IT SEES NO REASON WHY EXPORT LICENSE SHOULD NOT BE GRANTED.

7. REF (C) FORWARDED WTDR ON EUGENE VAN WYK AND REPORTED INCORPORATION OF HIS PARTNERSHIP UNDER NAME ROTORFLIGHT HELICOPTERS NOW PENDING WITH REGISTRAR OF COMPANIES. VAN WYK TOLD CONGEN OFFICER REGISTRATION SHOULD BE CONCLUDED BY END OF JANUARY. IT MIGHT BE WISE TO AWAIT FORMAL REGISTRATION OF COMPANY BEFORE ACTING ON EXPORT APPLICATION. CONGEN WILL NOTIFY DEPARTMENT WHEN REGISTRATION CONCLUDED.

GAMON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: HELICOPTERS, TRANSACTION CHECKS
Control Number: n/a
Copy: SINGLE
Draft Date: 09 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CAPET00021
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750009-0341
From: CAPE TOWN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750167/aaaacgkn.tel
Line Count: 96
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 277090, 75 CAPE TOWN 0929, 75 CAPE TOWN 0012
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 28 AUG 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 AUG 2003 by ShawDG>; APPROVED <02 SEP 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRE-LICENSE CHECK, HELICOPTERS
TAGS: ESTC, SF
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006